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SIPDIS

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TAGS: [KMDR](#) [KPAO](#) [OPRC](#) [CI](#) [TRADE](#)

SUBJECT: MEDIA REACTION -FTAA

1. On November 23, business and financial daily "Diario Financiero" (circ. 20,000) ran an editorial entitled, "Differences over Free Trade." Quote:

"Monday's meeting between Presidents Chavez and Kirchner...strengthened the strategic alliance between the countries in the eyes of the world, but especially the United States, from which Venezuela has gradually distanced itself after the White House objected to the sale of light nuclear reactors to the Chavez government. The Chavez-Kirchner meeting also confirmed the positions we saw at the Summit of the Americas in Mar del Plata. There are clearly two political blocs, one in favor of free trade and another against it, with Mexico on one end and Argentina and Venezuela on the other. The question is then how two such political blocs could affect Chile? During the Lagos administration Chile has displayed a special bond with the Fox administration. The bilateral relationship with Argentina has also shown major improvement. This is not an easy situation. It will demand Chile's best diplomatic abilities."

2. On November 22, conservative, afternoon "La Segunda" (circ. 31,834) carried an editorial entitled, "The Chavez-Kirchner Axis." Quote:

"As expected, Nestor Kirchner's visit to Venezuela concluded with a prodigious loan package from the Venezuelan government.... What does Chavez get in exchange? A promise that Venezuela will become a full Mercosur member--a questionable promise given economic problems in Argentina and the bloc.... The Caracas-Buenos Aires axis also wants to build a Latin American Financial Fund, although Kirchner explained that the fund would not substitute for the international loan entities created in Breton Woods.... This alliance undoubtedly complicates Argentina's ties with the United States and the G-7... However, it is worthwhile to note Chavez' psychological approach: 'We will guarantee energy for all Latin America for the next 200 years. That is the main cause of the conflict with the United States. It is not ideological, it is very concrete: U.S. imperialism wants that oil.'"

KELLY